

ACACIA'S MUNICIPAL MARKET UPDATE



AUGUST 7, 2017

CELEBRATING
10
Years

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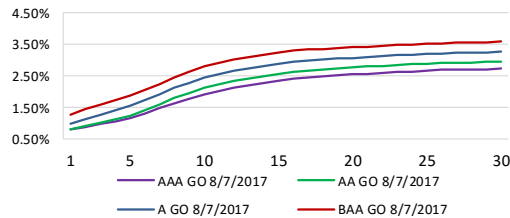
MARKET COMMENTARY

- From Monday to Monday, the 10-year AAA MMD benchmark fell two basis points to 1.93%, while the 30-year AAA MMD benchmark fell one basis point to 2.73%.
- The municipal bond volume for the week of August 7th is approximately \$7.32 billion of long-term bonds, consisting of \$4.77 billion in negotiated deals and \$2.55 billion in competitive sales.
- Municipal bond funds saw inflows of \$143.847 million in the week ended August 2nd, following inflows of \$322.992 million in the week prior.
- Issuers of Build America Bonds will have their federal subsidy payments reduced by 6.6% in 2018 through sequestration. This is for all payments made after October 1, 2017.

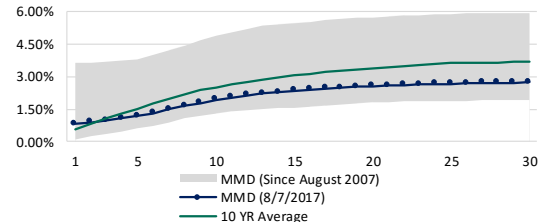
MUNICIPAL MARKET TRENDS

Term	Tax-Exempt				Taxable			Swap Rates			
	AAA	AA	A	BAA	Term	UST	AAA	Term	LIBOR	SIFMA	SIFMA/LIBOR
1 Yr	0.81%	0.83%	1.01%	1.28%	1 Yr	1.223%	1.32%	1 Mo/1 Wk	1.229%	0.790%	64.280%
2 Yr	0.89%	0.92%	1.14%	1.44%	2 Yr	1.359%	1.48%	3 Mo	1.312%	-	-
3 Yr	0.98%	1.03%	1.28%	1.60%	3 Yr	1.508%	1.67%	6 Mo	1.449%	-	-
4 Yr	1.07%	1.14%	1.42%	1.74%	5 Yr	1.830%	2.17%	1 Yr	1.467%	0.966%	65.849%
5 Yr	1.18%	1.26%	1.56%	1.87%	7 Yr	2.091%	2.40%	5 Yr	1.885%	1.395%	74.005%
10 Yr	1.93%	2.04%	2.45%	2.80%	10 Yr	2.278%	2.83%	10 Yr	2.213%	1.733%	78.310%
30 Yr	2.73%	2.95%	3.26%	3.58%	30 Yr	2.864%	3.50%	30 Yr	2.509%	2.126%	84.735%

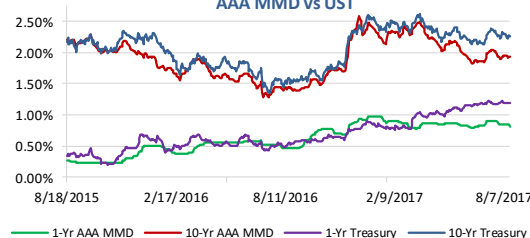
MMD Yield Curves



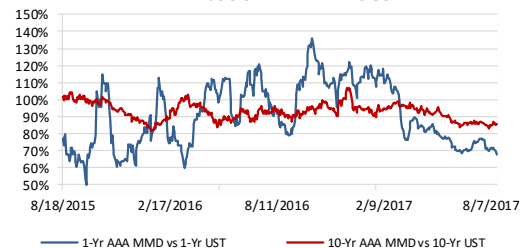
MMD Yield Range



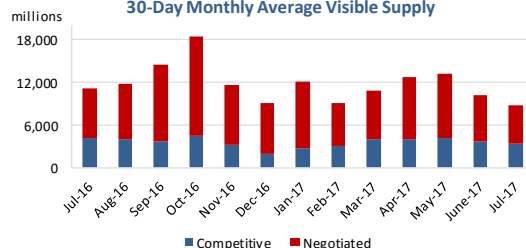
AAA MMD vs UST



Ratio of AAA MMD vs UST



30-Day Monthly Average Visible Supply



SIFMA vs LIBOR

